

**Workgroup III Insurance Information Exchange
2010 Report**

- **Members**

Mr. Ted Williams (Chair)

Mr. Mike Abbott

Ms. Jennifer Browne

Ms. Joan Jaimes

Mr. Tom Newton, Director, Iowa Department of Public Health (Ex-Officio). Ms. Lynh Patterson attended the meetings as Mr. Newton's alternate.

- **Workgroup Web Page**

<http://www.legis.state.ia.us/Current/Interim>

- **Charge**

At the conclusion of the 2010 Iowa legislative session, Commission Chairperson David Carlyle amended the Workgroup's charge as follows:

Workgroup III will advise the Insurance Division regarding the state insurance information exchange and in making the federally required exchange, slated to begin in 2014, functional for Iowans.

This change followed the passage of S.F. 2356 and its requirement that the Iowa Insurance Commissioner:

... in collaboration with the legislative health care coverage commission, shall develop a plan of operation for the exchange within one hundred eighty days from the effective date of this section. The plan shall create an information clearinghouse that provides resources where Iowans can obtain information about health care coverage that is available in the state.

The Workgroup also followed up on the question that Chairperson Ted Williams (Chairperson Williams) asked the Workgroup to attempt to answer in 2009:

If federal health care reform includes an individual mandate and an exchange to assist Iowans in selecting coverage, what recommendations would the Commission make to prepare the state for this?

With the passage of the Patient Protection and Affordable Care Act (PPACA) in the spring of 2010, the Workgroup began a concentrated review of the Act's exchange requirements.

- **2010 Workgroup Meetings and Focus**

Workgroup III met on five occasions through November 10, 2010.

- **June 7, 2010.**

Commissioner of Insurance Susan Voss (Commissioner Voss) and Ms. Angela Burke Boston of the Insurance Division provided an update on the work plan for the Iowa Insurance Information Exchange. Commission Coordinator Kinzel also presented a brief summary on the role of exchanges in PPACA. The workgroup discussed its goals for 2010 and how it could contribute to the overall Commission charge. The Workgroup

decided that for the remainder of 2010, it would focus on developing recommendations for a plan of operation for the Iowa Insurance Information Exchange.

➤ **July 19, 2010.**

Commissioner Voss provided an update on the development of the Iowa Insurance Information Exchange and responded to questions from workgroup members regarding development of recommendations for the Exchange. Ms. Nicky Keller, a member of the public, gave a presentation entitled *Insurance Exchange Development*. Ms. Keller also provided the workgroup members with two documents, *Building a Vision - Iowa's Health Insurance Exchange* and *Insurance Exchange*. Ms. Keller answered questions regarding the process of developing an exchange based on significant career experiences as a project manager in the insurance industry. Commission Coordinator Kinzel made a brief presentation on health insurance exchanges, *PPACA Exchanges—Key Initial State Decisions*. Kinzel also provided the workgroup members with a written briefing, *Exchanges in the Patient Protection and Affordable Care Act*.

➤ **August 11, 2010.**

Iowa Insurance Commissioner Voss and Assistant Commissioner Burke Boston provided a brief update on the development of the Iowa Insurance Information Exchange. Medicaid Director Jennifer Vermeer, and Burke Boston and Commission Coordinator Kinzel provided information on the *State-Federal Meeting on Health Insurance Exchange Implementation* sponsored by the U.S. Department of Health and Human Services in Minneapolis on August 3, 2010. The workgroup held a brief discussion on how to develop its recommendations to the Commission.

➤ **October 4, 2010.**

The Iowa Health Buyers Alliance and the Iowa Healthcare Collaborative gave presentations on their associations' views on how a PPACA exchange should operate in Iowa. Assistant Insurance Commissioner Burke Boston provided a brief update on the development of the Iowa Insurance Information Exchange workplan. Kinzel gave an update on the state's Exchange Planning Grant.

➤ **October 25, 2010, 2010.**

Focused discussion of recommendations to the Commission.

- **Workgroup Materials**

Information gathered by the Workgroup is available at the Workgroup's web page: www.legis.state.ia.us/Current/Interim. A list of the materials is provided at Attachment 2 to this report.

2010 RECOMMENDATIONS

The workgroup unanimously adopted recommendations 1 and 2 at its October 25, 2010 meeting. The recommendations are attached as Attachment 1.

WORKGROUP III RECOMMENDATIONS

The following recommendations were adopted unanimously at the Workgroup III meeting on October 25, 2010.

Recommendation 1. Iowa Insurance Information Exchange

The Iowa Insurance Information Exchange shall be fully operational by July 1, 2011, and shall operate under the following guidelines:

- **Purpose**

The Insurance Information Exchange shall adopt as its purpose the provision of impartial information about available private and public health coverage options in Iowa, and the facilitation of enrollment through an insurance professional or designated state agency.

- **Governance**

- ▶ The Insurance Information Exchange shall be located in a new or existing State agency, or a quasi-governmental agency with a governing board. The governing board shall consist of individuals representing carriers, providers, agents/brokers and the public. The governing board shall:
 - ▶ Review the plan of operation and submit proposed amendments;
 - ▶ Create a financial plan that will insure the Iowa Insurance Information Exchange will be able to carry out its duties, including determining from the plan of operation if an assessment beyond the SF 2356 appropriation is necessary for the proper administration of the Iowa Insurance Information Exchange;
 - ▶ Review outstanding contracts or agreements and make necessary corrections, improvements or additions;
 - ▶ Hold quarterly governing board meetings and an annual meeting of the governing board to be held at such times and places as the governing board may determine; and
 - ▶ Review, consider and act on any other matters deemed necessary and proper for the administration of the Iowa Insurance Information Exchange.

- **Consumer Disclosure/Transparency**

- ▶ Carriers and public plans shall use a standardized format for presenting health coverage options in the Iowa Insurance Information Exchange to facilitate comparison of all plans.
- ▶ The Iowa Insurance Information Exchange Promote the development and use of quality measurements for providers, and transparency in provider cost and quality measurements.

- **Duties**

The Iowa Insurance Information Exchange shall be responsible for:

- ▶ Operating a call center/web portal system capable of:
 - Providing impartial and easily accessible information about available private and public health coverage options in Iowa (Medicaid, hawk-i IowaCare, High Risk Pools [state and federal]);
 - Facilitating private and public plan enrollment through an insurance professional or designated state agency;
- ▶ Collecting data from carriers and public agencies and from the operation of the Exchange's call center/web portal;
- ▶ Coordinating and communicating between health plans and publicly provided coverage to ensure seamlessness;
- ▶ Conducting an initial marketing campaign promoting the Iowa Insurance Information Exchange and the availability of comparative health coverage information in Iowa;
- ▶ Conducting ongoing marketing of the Iowa Insurance Information Exchange; and
- ▶ Requiring carriers, organized delivery system, and public programs to submit

Rationale—Use this **Iowa Information Exchange** to ease into an exchange that distributes subsidy, while at the same time promoting important goals between 2011 and 2014.

coverage and eligibility changes quarterly to the Iowa Insurance Information Exchange agency for updates to call center/web portal.

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Recommendation 2. Iowa Health Benefit (Purchasing) Exchange

Iowa should take all necessary action to maximize its opportunities to administer its own health care markets by committing resources to the processes necessary to establish an Iowa Health Benefit (Purchasing) Exchange in 2014 (2014 Purchasing Exchange).

Rationale—Avoid imposition of a federally run exchange in Iowa and improve access, cost and quality in Iowa.

The 2014 Purchasing Exchange shall focus on the following goals:

- **Improve Access to Coverage**

- ▶ Reduce the number of uninsured Iowans by creating an organized, transparent marketplace for Iowans to:
 - Purchase affordable, quality health care coverage;
 - Claim available federal tax credits and cost-sharing subsidies; and
 - Meet the personal responsibility requirements imposed under the PPACA.

- **Strengthen the State Insurance Marketplace.**
 - ▶ Promote the availability and renewability of health care coverage through the private health insurance market to qualified individuals and qualified small employers; and
 - ▶ Require that health care service plans and health insurers issuing coverage in the individual and small employer markets compete on the basis of price, quality, and service, and not on risk selection.
- **Strengthen the Health Care Delivery System Quality**
 - ▶ Improve the quality of health outcomes; and
 - ▶ Promote the development of quality measurements for providers and transparency in provider quality measurements.
- **Promote Insurance Marketplace, Provider Cost and Exchange Operation Transparency**

Rationale—As there is going to be even more pressure on quality because of cost and access changes, we need to do everything we can to promote quality. We recently heard two presentations about one way to make a significant difference in quality—require and support transparency for measurements of quality and provider costs.

- ▶ Promote the development of quality measurements for providers and transparency in provider cost and quality measurements.
 - ▶ Promote transparency in exchange operations, especially the cost of coverage and levels of public subsidy; and
 - ▶ Meet the requirements of the Patient Protection and Affordable Care Act and all applicable federal guidance and regulations.
- **Improve Cost Structure**
 - ▶ Reduce the rate of health care cost increases.
 - ▶ Identify cost implications and make recommendations to ensure affordability for the state, including identifying the population size that will be eligible by income level and market type, and developing an estimate of 2014 Purchasing Exchange participation, and
 - ▶ Ensure maximum federal subsidies, to the extent appropriate, for payers and state.

Rationale—Costs are extremely important to all payers; and as such, decisions to improve cost structures in Iowa must become more important. We need to know the cost implications and make appropriate recommendations for the state of Iowa to ensure the state can afford the costs and the states get the maximum federal dollars, providing we do not violate any of our overarching goals.

Attachment 2

List of Materials Distributed to Workgroup III in 2010

All documents are available at the Workgroup's Web site: <http://www.legis.state.ia.us/Current/Interim/>

Please Note: The documents distributed at or in connection with committee meetings of the Iowa General Assembly are generally submitted by public and private entities not under the control of the General Assembly or by staff of the General Assembly. Their inclusion does not constitute an endorsement of their contents by the General Assembly. An entity submitting copyrighted materials remains responsible for maintaining the fair use of those materials.

- 6/7/2010 – Federal Health Exchange Requirements from Angela Burke Boston - Insurance Division
- 6/7/2010 - Exchange Overview - The Patient Protection and Affordable Care Act
- 7/19/2010 - PPACA Exchanges - Key initial State Decisions - by Anne Kinzel
- 7/19/2010 - Nicole Keller Bio
- 7/19/2010 - Iowa's Health Insurance Exchange - Vision
- 7/19/2010 - Exchanges in PPACA - Submitted by Anne Kinzel
- 7/19/2010 - Exchange-Project Methodology
- 8/11/2010 - Websites for Working Exchanges from Anne Kinzel
- 8/11/2010 - State Planning and Establishment Grants for the Affordable Care Act's Exchanges
- 8/11/2010 - PPACA Consumer Assistance Program Grant
- 8/11/2010 - Iowa Distribution of Incomes Above and Below 400% of Federal Poverty Level - Kaiser Family Foundation
- 8/11/2010 - Insurer Questionnaire Regarding Health Insurance Summary and Cost Information from Division of Insurance
- 8/11/2010 - Comments on Exchanges
- 10/4/2010 - Press Release - Iowa Health Benefit Exchange
- 10/4/2010 - Presentation by Iowa Health Buyers Alliance
- 10/4/2010 - Plan of Operation - Insurance Information Exchange
- 10/4/2010 - Overview of PPACA Health Insurance Exchanges and State Exchange Options - Anne Kinzel
- 10/4/2010 - Kingsdale Overview of Mass Health Reform
- 10/4/2010 - Kingsdale Health Benefit Exchanges an Implementation Timeline for State Policy
- 10/4/2010 - Kingsdale - Exchange Timeline Gantt Chart
- 10/4/2010 - IHBA Presentation to Exchange Workgroup - by Paul Pietzsch
- 10/4/2010 - Healthcare Reporting in Iowa - submitted by the Iowa Healthcare Collaboration
- 10/25/2010 - Information Exchange Draft of Plan of Operation

- 10/25/2010 - DRAFT - NAIC's Model Act for Health Benefit Exchanges
- 10/25/2010 - 2010 Workgroup III Draft Recommendations